

ASSEMBLY BILL NO. 4701

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 4701 without my approval.

This bill is nothing more than an unnecessary, politically motivated tax increase. Pure and simple, the Legislature demonstrates its preference for higher taxes and social engineering, ignoring the overwhelming evidence proving the Regional Greenhouse Gas Initiative ("RGGI") to be a failure. I have vetoed two previous attempts by the Legislature to require New Jersey's participation in RGGI and my position has not changed. The third time will not be the charm.

Since withdrawing from RGGI in 2011, New Jersey's electric power sector is among the cleanest in the nation and is the cleanest within the regional energy grid PJM. Without the costly requirements imposed by RGGI, New Jersey has the eighth lowest carbon emission rate in the nation. In fact, New Jersey's carbon emission rate is lower than six of the nine states currently participating in RGGI.

New Jersey's power sector generates clean power in a cost-effective manner that reduces emissions and improves New Jersey's air quality. Because of my Administration's aggressive efforts to curtail emissions, improve air quality, promote clean energy, and protect the environment, there has been a shift in power generation in this State. New Jersey began exporting electricity in 2015, displacing out-of-state power plants that are older, less efficient, and dirtier than the clean energy generated in New Jersey. Displacing dirtier power plants in states to New Jersey's west, particularly Ohio and Pennsylvania, further reduces emissions entering New Jersey.

To be clear, RGGI is not effective in reducing greenhouse gas emissions. New Jersey is already a leader in reducing carbon emissions, meeting emission goals through alternative means at below the 2020 limits established in the Global Warming Response Act. As I have stated on numerous occasions since first announcing New Jersey's withdrawal from RGGI, in a state where electricity costs consistently rank among the highest in the nation, this program is nothing more than a tax on electricity at the expense of taxpayers, ratepayers, and businesses that are already working toward cleaner power generation. This bill would create more harm than benefit to New Jersey.

Accordingly, I herewith return Assembly Bill No. 4701 without my approval.

[seal

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Robert L. Garrenger

Acting Chief Counsel to the Governor